

provisional patent application Serial No. 60/169,821 filed on December 8, 1999 (the '821 provisional application). The Applicants respectfully submit that the Knudtson Declaration and the '821 provisional application provided evidence that Mr. Knudtson, one of the named Applicants, conceived the present invention at least as early as December 8, 1999, or well prior to February 18, 2000, the priority date of the Boicourt et al. application.

In the December 14 Office Action, the Examiner stated that the copy of the '821 provisional application submitted with the Knudtson Declaration was not legible. The Applicants respectfully traverse this finding; the '821 provisional application was handwritten but is certainly legible.

In any event, the Applicants submit herewith as Exhibit A typewritten copies of pages 2, 4, 5, 15, 23, 26, 30, and 36 of the '821 provisional application. These pages support the Applicants' contention that the Applicant conceived the subject matter claimed in the present application well prior to the February 18, 2000, priority date of the Boicourt et al. application.

In particular, as evidenced by the typewritten pages submitted herewith, the '821 provisional application describes a Superimposed Accounting System (SAS) that operates in conjunction with a traditional Computer Accounting System (CAS). The SAS described in the '821 provisional application was designed to be integrated with the host CAS system and yet operate independently of that host system. The SAS system manages three accounting systems: the host CAS system, a controllership system, and an entity FIT system. The SAS system eliminates the need for reversing entries by not sharing SAS adjustments with the host CAS system. The various needs of the host CAS system, controllership system, and entity FIT system can be accommodated without interfering with each other. The SAS system as described in the '821 application is thus one example of an overlay system as recited in the pending claims.

Based on the typewritten pages submitted herewith, the Applicants respectfully request reconsideration of the Applicants' claim under 37 CFR 1.131 and withdrawal of the rejection based on the Boicourt et al. application.

Given the foregoing, the Applicant respectfully submits that currently pending claims 1-7 and 15-22 are in condition for allowance, and such allowance is respectfully requested. If there is any matter which could be expedited by consultation with the Applicant's attorney, such would be welcome. The Applicant's attorney can normally be reached at the telephone number below.

Signed at Bellingham, County of Whatcom, State of Washington this 6th day of April, 2006.

Respectfully submitted,

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CERTIFICATE OF MAILING

37 C.F.R. §1.8

I hereby certify that this paper (along with any paper referred to as being attached or enclosed) is being deposited with the United States Postal Service as first class mail in an envelope addressed to Mail Stop RCE, Commissioner for Patents, P.O. Box 1450, Alexandria, VA 22313-1450, on the date shown below.

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Date: April 6, 2006

Datascan Systems Inc.
Definitions



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Controllership System (CTR)

The CTR Computer Accounting System (CAS) is set up to automatically and correctly assign balanced CL accounts to all transactional entries (cash, AR, AP, PR, Inventory) on a real time basis. The result of the CTR accounting system is the determination of profit or loss without consideration of "non cash adjustment" elements and the determination of working capital, investments in fixed / other assets and term contracts receivable / payable provided these entries are defined and entered correctly. The only additional adjustments might be cut off accrual adjustments for "accrued payroll" accrued PR taxes and accrued sales/ excise taxes. The CTR system is designed to support business financial management.

Entity, FIT System

The entity FIT system determines FIT taxable income and expenses gross and net. This can involve a special basis of accounting (cash basis, modified accrual basis, etc.) and special treatment of owner commuter, employee benefits, etc., expenses for different entities (sole proprietor, partnership, corporations, etc.).

Conclusion

There are at least two accounting systems (see above with defined purposes. Small business operators (most) cannot correctly set up and manage either of these CAS accounting systems correctly and consistently within a host CAS system. The SAS system is designed to be integrated with host systems and yet operate independently of that host system to facilitate that Business / Service Center partnership necessary to do both designated systems (above). [This will eliminate the need for Trial Balance software.]

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Datascan Systems Inc.

**Patent Application Document
for**

The Superimposed Accounting System (SAS)

Applicable to:

1. The Datascan Computer Accounting System (CAS)
2. Over-the-Counter CAS Systems
3. All Other Computer Accounting Systems

For Independent SAS System Host Integrated
Data Management Purposes of:

1. Controllershship System
2. Entity FIT System

Outline

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System Patent Elements SAS Independence

A. We presume that the small business host system is a transactional business task operating (BTO) system with GL account preprogrammed connections to BTO operations and that computer accounting system (CAS) operators are usually not educated accountants. This would not, however, exclude the possibility of using the host system absent the SAS system for developing a controllership system as outlined in this document. However, a host system cannot be utilized for multiple purposes. The SAS system actually works to manage three accounting systems:

1. Host system (BTO commitment)
2. Controllership system (financial management)
3. Entity FIT system (taxable income)

(Unique)

- B. The independent SAS status provides an opportunity to better control data transfers from and to business users and service center users of CAS / SAS systems (see p. 19). (unique)
- C. The independent SAS system requires the CAS operator to first select a current (prior in some cases) period for the specified purpose of either "controllership" or "entity FIT report" system GL data examination, special adjustment, production of special reports (series). Married to this first step period selection step is the creation of pre-filled adjustment entry options and the production of special reports all limited to that selected period (unique).

System Patent Elements Period Fixed Adjustments Operation (FAO)

Eliminate need for reversing entries:

- A. The SAS system requires the operator to first select a current period for a specified (controllershship / FIT) purpose which allows entry into that "period independent" SAS system. The SAS adjustment options are pre-filled for that selected period; we describe all this as the "period fixed adjustments" operation (unique).
 - B. Closing entries are not necessary. However, an annual ~~shift~~ ^{shift} of "period independent SAS systems current and prior displayed in the period status report (page 35) must be all "shifted" to make available each new (next) fiscal year (12 periods) for SAS processing (see page 67) (unique).
 - C. SAS adjustments are not shared with the host CAS system. They are held independent for each SAS period only. Host and SAS systems do carry the same GL accounts data and report titles, headings, and footings (unique).
 - D. SAS adjustment audit trails for each period independent SAS system are made accessible (unique).
 - E. The Period Fixed Adjustments are always from BOY (Beginning Of Year) to the selected period ending. This makes every period ending TAR / ADJ/ Report system independent of all other TAR etc. sub systems. The result of this treatment is that the need for reversing entries
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System Patent Elements Transfer Data Systems



- A. The SAS system will encourage businesses and service centers to use the same OTC / SAS system because:
1. Data transfers (to and from) will be fast and accurate and ^{non}~~on~~ interfering with business tax operations (unique).
 2. Data transfer ability (diskette/modem) facilitates OTC/SAS system installation and maintenance services by the service center for business clients (unique).
 3. Data transfer ability makes possible low cost business controllership services and high profit serviced center (efficient) controllership services (unique).
 4. Data transfer ability makes possible lower cost (?) FIT services? (unique)

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System Patent Elements Entity FIT System

- A. The Entity FIT system facilitates host data review and FIT data entry (adjustment) and report production as an integrated pair of systems. (unique)
- B. An entity FIT system might be defined by having a choice of the following bases, purposes:

Basis	Purposes
<ul style="list-style-type: none">• Cash Basis• Modified Accrual• Accrual• Other	Adjust and separate out <ol style="list-style-type: none">1. Taxable income/expense2. Non-taxable income/expense



The controllership and the host system should not be defined by an FIT system for two reasons:

1. An FIT system is not defined (totally) by transactional entries and both the host system and the controllership system are (can be) basically defined by transactions.
2. An FIT system requires knowledge of the IRS code which is beyond most CAS operators.

NOTE: The same series of SAS reports works for both controllership and FIT reports!

The superimposed accounting system (SAS) directly addresses and improves the working conditions CAS operators face when forced to deal with the General Ledger system for special purposes:

1. Controllership system
2. Entity FIT system

The FIT system is necessary; the controllership system is optional. Both these SAS systems can become the platform(s) for launching over-the-counter (OTC) systems into the more purposeful worlds of:

1. Financial management supported by controllership (GL) reports for businesses.
2. OTC delivery of service center data processing advantages for controllers services and entity FIT services.
3. OTC further justification of OTC/CAS product promotion, sales, installs, maintenance for service centers.

All this more purposeful approach to accounting should lead to the development of:

1. Better accounting Education / Instruction for small business.
2. Better seminars / workshops (examples!).
3. Better service center commitment and performance of services supporting CAS/SAS systems (franchise operations?).

We believe that OTC systems should consider adding five supplemental subsystems that are important to both businesses and service centers:

1. Fixed asset management system — entered from source documents
2. Term contracts receivable management — entered from source document
3. Term contracts payable management — entered from source document
4. Forecast / tracking
5. Banker Reports

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